Treasury Board of Canada Secretariat

2007–08

Departmental Performance Report

The Honourable Vic Toews
President of the Treasury Board

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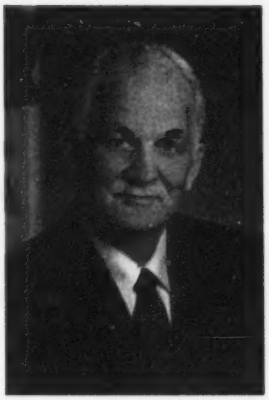
President's Message



I am pleased to present the Treasury Board of Canada Secretariat (the Secretariat) Departmental Performance Report for 2007–08. Each year, the Secretariat issues this report to inform parliamentarians and Canadians about its progress in achieving the objectives outlined in its annual report on plans and priorities.

The advice that the Secretariat provides to Treasury Board ministers and departments on programs, policies, and expenditures has real-life impact. From the testing of consumer products to the settlement of Aboriginal land claims to biofuels funding and incentives, the Secretariat is at the centre of responsible government spending decisions on behalf of Canadians.

A key element of this mandate is ensuring management excellence across the government, for which the Secretariat identified three key priorities for 2007–08: strengthening governance, accountability, and management practices; strengthening results-based expenditure management; and strengthening internal management. By promoting management excellence throughout government, the Secretariat strives to ensure a more efficient and effective public service that meets the evolving needs of Canadians while providing value for taxpayers' dollars.

This year, the Secretariat has made significant progress in each of the three priorities. For example, during this year the final provisions of the *Federal Accountability Act*, including the amendments to the *Access to Information Act* and the *Privacy Act*, were brought into force. This was followed, in July 2008, by the *Lobbying Act,* the last element. The Secretariat continued to move forward on the renewal of the Treasury Board policy suite, which will result in clearer and streamlined Treasury Board policies, ensure consistent approaches, and promote management excellence, while allowing for flexibility and innovation.

As part of the government's new Expenditure Management System, the Secretariat launched and completed the first round of strategic reviews in 17 federal organizations. This important initiative requires each organization to assess 100 per cent of all of its direct program spending and identify savings from its lowest performing, lowest priority programs. As outlined in Budget 2008, the savings identified are then available to be reinvested in areas of higher priority for Canadians. As a result of this thorough process, departments are transforming their operations, delivering better programs, and ensuring better results for Canadians.

In 2007–08, the Secretariat embarked on a Change Initiative that will help position the Secretariat to better deliver on the Government of Canada Management Agenda by strengthening

internal management. This initiative will transform how the Secretariat interacts with its clients by focussing more on strategic leadership and embracing collaboration and risk management. This will enable the Secretariat to better help departments improve their own management performance and ensure better value-for-money for Canadians.

By promoting management excellence, the Secretariat is making government work better for Canada's citizens. In the year ahead, I look forward to continuing our efforts with the dedicated and committed men and women of the Secretariat.

The Honourable Vic Toews, P.C., Q.C., M.P.
President of the Treasury Board

Section I: Departmental Overview

1.1 Raison d'être

The role of the Treasury Board of Canada Secretariat (the Secretariat) is to support the Treasury Board in ensuring that government is well managed and accountable and that its resources are allocated to achieve results. The Secretariat has a direct impact on governance, on accountability and the quality of federal public sector management, and on the efficiency and effectiveness with which the government's programs and services are delivered.

1.2 Responsibilities

The Secretariat supports the Treasury Board by providing advice to Treasury Board ministers on all of its responsibilities. The Secretariat's mandate includes management performance across government, expenditure and financial management, and management of compensation, pensions, benefits, terms and conditions of employment, and labour relations. Other organizations that support the Treasury Board are the Canada Public Service Agency and the Canada School of Public Service. These three organizations, together with the Office of the Registrar of Lobbyists, form the Treasury Board portfolio.

Treasury Board

The Treasury Board is a Cabinet committee that was established in 1867 and given statutory powers in 1869. As the general manager of the public service, it has three key functions—to act as the government's management board, budget office, and employer of the core public administration.

The Secretariat plays three key central agency roles in relation to other federal departments, agencies, and Crown corporations:

- an oversight role, including policy development, monitoring, and reporting on management and budgetary performance within government;
- an enabling role in helping departments and agencies improve their performance in these areas; and
- a leadership role in driving and modelling the management agenda.

Related to these roles, the Secretariat provides human resources management support to the Treasury Board in its role as employer of the core public administration by conducting labour-management relations and compensation operations and by managing pension and benefit policies and programs.

1.3 Operating environment

Like other large public and private sector organizations, the federal public service is also facing significant challenges as it adapts to key trends shaping Canadian society, the economy, the labour market, and service delivery. The rapid pace of technological change is fuelling fundamental changes in the way we live, the way we work, and the way organizations collaborate to deliver goods and services. Demographic changes are creating pressures to improve recruitment to the public service and enable mobility between the public and private sectors. This poses particular challenges for the Secretariat, in its role as employer, to find the balance between public sector interest in retaining a highly qualified workforce in a competitive environment and the flexibility required for skilled workers to leave and return to the public service.

In supporting the government, it is vital for the Secretariat to understand these trends and adapt policies and guidance to respond to these changes, while ensuring that government priorities and public expectations are met. Canadians expect spending to be aligned with federal government priorities. They demand an accountable government that manages their tax dollars by finding cost-effective ways to address public policy issues and provides services to Canadians. The challenge for the Secretariat is to find ways to ensure that the need for enhanced accountability does not prevent change or innovation across government. It is doing this in part by working to reduce the web of rules that has grown over the years and constrains intelligent risk-taking. An effective, high-performing public service is essential to meeting the expectations of Canadians. The Secretariat must work to ensure that the public service strives for excellence and remains connected to the needs and expectations of Canadians.

The federal public service is a large and diverse national institution that:

- consists of over 175 departments, agencies, and organizations;
- includes about 460,000 employees; and
- maintains a presence around the world with federal offices in about 180 countries and 17 missions abroad involving the Canadian Forces.

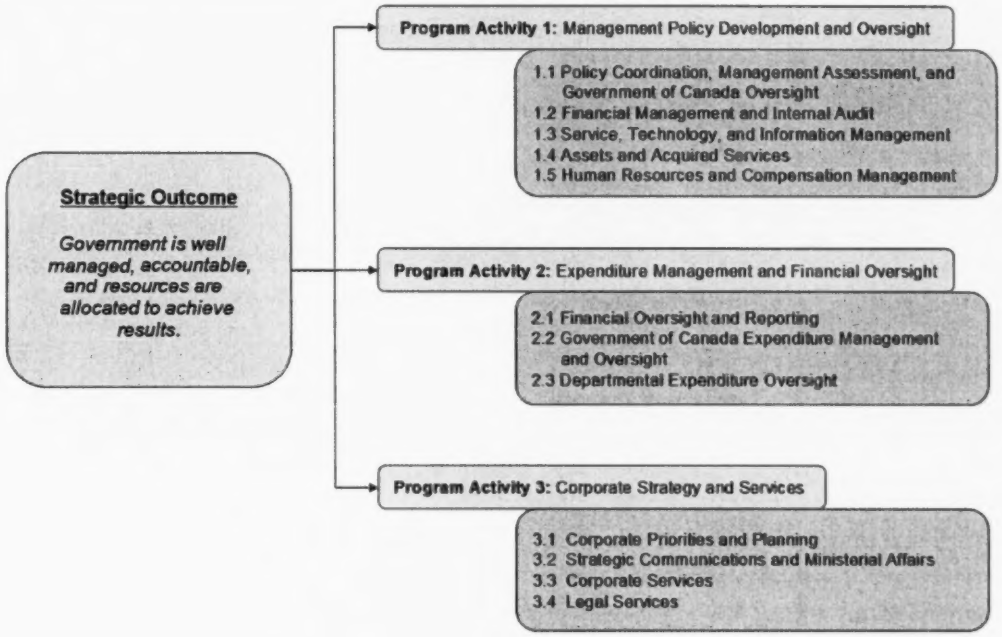
1.4 Strategic outcome and program activities

The work of the Secretariat is focussed on the following strategic outcome:

Government is well managed, accountable, and resources are allocated to achieve results.

The Government of Canada outcomes form part of the Whole-of-Government Framework, which maps the contributions of departments, agencies, and Crown corporations to a set of four high-level spending areas and thirteen government outcome areas. The alignment of departmental strategic outcomes to the governmental outcomes makes it possible to calculate and assess

government spending by outcome area. The Secretariat's strategic outcome is aligned to the Government Affairs spending area and thus supports all of the government's outcome areas by helping departments, agencies, and Crown corporations meet their responsibilities, deliver their mandates, and serve Canadians.


Strategic Outcome
Government is well managed, accountable, and resources are allocated to achieve results.
Program Activity 1: Management Policy Development and Oversight
1.1 Policy Coordination, Management Assessment, and Government of Canada Oversight
1.2 Financial Management and Internal Audit
1.3 Service, Technology, and Information Management
1.4 Assets and Acquired Services
1.5 Human Resources and Compensation Management
Program Activity 2: Expenditure Management and Financial Oversight
2.1 Financial Oversight and Reporting
2.2 Government of Canada Expenditure Management and Oversight
2.3 Departmental Expenditure Oversight
Program Activity 3: Corporate Strategy and Services
3.1 Corporate Priorities and Planning
3.2 Strategic Communications and Ministerial Affairs
3.3 Corporate Services
3.4 Legal Services

The chart above illustrates the Secretariat's framework of program activities and program sub-activities, which together contribute progress toward achieving the strategic outcome.

The Secretariat had established the three following priority areas for 2007–08:

- Strengthening governance, accountability, and management practices
  - Improving accountability and fiscal responsibility through implementation of the *Federal Accountability Act*
- Strengthening results-based expenditure management
  - Providing better advice, including clear expenditure information, to Cabinet and the Treasury Board on the allocation of resources
- Strengthening internal management
  - Transforming the Secretariat to support the Government of Canada in moving forward with its management excellence agenda

Each priority corresponds to a specific program activity, as shown below:

Program Activity 1: Management Policy Development and Oversight

Priority 1: Strengthening governance, accountability, and management practices

Program Activity 2: Expenditure Management and Financial Oversight

Priority 2: Strengthening results-based expenditure management

Program Activity 3: Corporate Strategy and Services

Priority 3: Strengthening internal management

1.5 Achievements this year

In addition to the accomplishments profiled in section 1.6, the Secretariat had a number of significant achievements in 2007–08. For example, the Secretariat:

- Refined the Management Accountability Framework (MAF) and continued to promote it as the government's key management tool. The MAF assessment is now a key element for evaluating the management accountability of deputy ministers.
- Developed the *Federal Accountability Action Plan* to respond to the recommendations of the Independent Blue Ribbon Panel on Grants and Contributions and to reduce the administrative burden associated with related Treasury Board policies.
- Reviewed the government's financial oversight and control regime as input for renewal of the financial management framework and related policy instruments.
- Developed a renewed approach to the Expenditure Management System that fundamentally changes the way the government is managed. A key element of this was the first round of strategic reviews of 17 federal organizations, which identified $386 million per year that will be reallocated to higher priorities.
- Managed a full negotiation schedule with 26 of 27 active collective bargaining tables.
- Developed an integrated government-wide human resources plan for information management (IM) and information technology (IT) to assist federal departments and agencies in ensuring that they will have the required skills within the IM and IT area.

1.6 Summary of performance

Note: Some figures in this document may not add up to totals shown or some totals may differ from one table to another due to rounding off.

Departmental Priority: Strengthening governance, accountability, and management practices.		
Program Activity: Management Policy Development and Oversight		
Performance Indicators	**Measures**	**Expected Results**
Implementation of the *Federal Accountability Act* is successfully coordinated under the leadership of the Secretariat.	Commitments of all government departments under the *Federal Accountability Act* are well coordinated and targets are monitored.	Trust and confidence in government are enhanced through the implementation of the *Federal Accountability Act* and through improved reporting to Parliament.
Renewed policies are developed and implementation plans put in place in response to reviews of three key policy areas—grants and contributions, procurement, and financial management as mandated by the *Federal Accountability Action Plan*.	Approval of revised policies on grants and contributions is sought in response to the recommendations of the Independent Blue Ribbon Panel.	Responsibilities of deputy heads are clarified in accordance with the *Federal Accountability Action Plan*—streamlining rules while strengthening accountability and efficiency—through the renewal of the Treasury Board policy suite.

Performance Summary: Progress in Achieving 2007–08 Priorities

Federal Accountability Act

In 2007–08, the Secretariat continued to build on last year's implementation progress by bringing into force a number of the provisions of the *Federal Accountability Act*, including the amendments to the *Access to Information Act* and the *Privacy Act*, and provided leadership in coordinating the government-wide implementation effort. Following public consultations, regulations needed to bring into force the *Lobbying Act* were drafted during the fiscal year; adoption of the *Lobbying Act* is anticipated for the first quarter of 2008–09, at which time the *Federal Accountability Act* would be brought completely into force.

Result: The Government of Canada has strengthened accountability and increased transparency in its operations, including access to information on an expanded range of government institutions. The *Federal Accountability Act* ensures that results for Canadians are achieved in a transparent manner with proper oversight.

The Treasury Board *Policy on Transfer Payments*

The Secretariat completed revisions to the Treasury Board *Policy on Transfer Payments* during 2007–08. The new policy reflects and, where appropriate, promotes key recommendations and principles of the Independent Blue Ribbon Panel. The Policy clarifies the responsibilities and accountabilities of ministers and deputy heads and establishes, in a manner that is sensitive to risk, the regime under which all grants and contributions will be managed. The administrative requirements for applicants and recipients of grants and contributions will be tailored to reflect the associated risks to ensure effective control, transparency, and accountability, while minimizing administrative burden.

Result: Simplified administration and strengthened accountability in the government's management of grants and contributions.

Planned Spending ($ thousands)[1]	Total Authorities ($ thousands)[1]	Actual Spending ($ thousands)[1]	Alignment to Government of Canada Outcomes
124,900	144,508	135,196	Government Affairs

1. Includes funds allocated from Corporate Strategy and Services. Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Departmental Priority: Strengthening results-based expenditure management

Program Activity: Expenditure Management and Financial Oversight

Performance Indicators	Measures	Expected Results
The first round of systematic reviews of program spending is conducted.	A process and a methodology are developed for strategic periodic reviews of program spending, which include the development of selection and sequencing criteria for reviews, the selection of candidates for review, and the launch of the first-year reviews.	Better information and advice are provided to Cabinet and the Treasury Board on new and existing programs to support decision making on resource allocation.
The quality of program performance information is improved through the Secretariat's leadership in the implementation of the *Management, Resources, and Results Structure Policy* (MRRS).	Client departments and agencies are supported in the development of their program activity architecture (PAA) and performance measurement framework (PMF).	Results-based management is strengthened and information on programs and spending is improved.

Performance Summary: Progress in Achieving 2007–08 Priorities

Strategic reviews

The first round of strategic reviews was launched in June 2007. It included 17 organizations and $13.6 billion in spending—about 15 per cent of the government's direct program spending. The results of each strategic review were considered and were assessed against each organization's overall mandate and objectives, program effectiveness, efficiency, value-for-money, and alignment to government priorities. This enabled reallocation decisions to be made as part of budget planning.

> **Result:** As a result of the strategic reviews, departments are streamlining operations, realigning their activities, and transforming their organizations to deliver better programs and better results for Canadians. From the departments that underwent the 2007 strategic reviews, $386 million per year was earmarked to be reallocated to help address the priorities of Canadians, as outlined in Budget 2008.

Management, Resources, and Results Structure Policy

In moving forward with the implementation of the MRRS Policy, departments have clarified their objectives, which are now captured in a PAA. In 2007–08, the focus was on identifying specific ways to measure progress toward achieving each of these objectives. Aligned with the PAA, these measurement tools were then assembled to create the departmental PMF, the second step of MRRS policy implementation. The Secretariat actively engaged departments throughout the year to support this work by offering targeted technical support, undertaking extensive reviews of departmental draft proposals, supporting senior management of various departments in promoting the benefits of the MRRS Policy, and offering sessions to raise awareness of PMFs and governance requirements of the MRRS Policy to over 800 public service employees.

> **Result:** Improved performance information for decision making and reporting associated with resource allocation and reallocation and program management.

Supplementary information is available at http://www.tbs-sct.gc.ca/rma/mrrs-sgrr_e.asp.

Planned Spending ($ thousands)[1] (Secretariat Operations)	Total Authorities ($ thousands)[1] (Secretariat Operations)	Actual Spending ($ thousands)[1] (Secretariat Operations)	Alignment to Government of Canada Outcomes (Secretariat Operations)
65,179	**64,657**	**59,401**	**Government Affairs**

1. Includes funds allocated from Corporate Strategy and Services. Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Departmental Priority: Strengthening internal management		
Program Activity: Corporate Strategy and Services		
Performance Indicators	**Measures**	**Expected Results**
Internal and interdepartmental engagement strategies are developed and implemented to support the government's management agenda.	An action plan—focussed on key management initiatives and on new approaches to working with the Treasury Board, other departments, and central agencies—is developed and implemented within the Secretariat.	Corporate enabling strategies are developed and implemented within the Secretariat and across departments, consistent with the role of the Treasury Board.
Human resources management is improved, with progress on an open and transparent process for staffing, strengthened linkages to the Secretariat's business planning, and implementation of a human resources plan.	A human resources plan is completed in accordance with the *Public Service Modernization Act*.	Internal management practices continue to be improved in response to the Secretariat's Management Accountability Framework assessment and workplace surveys.

Performance Summary: Progress in Achieving 2007–08 Priorities

Change Agenda

In 2007–08, the Secretariat undertook a Change Initiative to focus more on strategic leadership, collaboration, and risk management. This included development of a Secretariat roadmap for enabling change that supports the Government of Canada Management Agenda. Both internal and external awareness strategies were developed to engage executives and staff through conferences and town hall meetings. The signing of the Management Excellence Charter, an agreement among all of the Secretariat's senior executives, demonstrates their commitment to the operationalization of the Change Initiative objectives through specific projects that embody its principles. The Secretariat received a strong rating, the highest ranking, in its Management Accountability Framework assessment for its work in 2007–08 on change.

> **Result:** Senior executives at the Secretariat are committed to transforming their business environment into one that embraces collaboration, risk management, and leadership to support departments, while leveraging the unique qualities, attributes, and capacities of the Secretariat and its workforce.

Human Resources Strategy

The Secretariat's efforts this year in improving the management of its workforce included the development and approval of the Human Resources (HR) Strategy in March 2008 and its work toward the objectives of the Public Service Renewal Action Plan. The HR Strategy outlines initiatives aimed at developing the capacity, diversity, competencies, skills, and leadership qualities of the current Secretariat workforce, as well as targeting the recruitment, training, and retention of future public service employees. The HR Strategy is a foundation document that will help the Secretariat better integrate expected HR requirements into its 2008–09 business planning cycle.

> **Result:** The Secretariat is well positioned to continue developing its current workforce to better deliver on business objectives while working toward a clear vision of what its workplace and workforce of the future will be, as described in the Change Initiative.

Planned Spending[1&2] ($ thousands)	Total Authorities[1] ($ thousands)	Actual Spending[1] ($ thousands)	Alignment to Government of Canada Outcomes
54,095	**58,135**	**58,752**	**Government Affairs**

1. Allocated to the following program activities: Management Policy Development and Oversight and Expenditure Management and Financial Oversight.
2. Allocated to the program activities identified in note 1 and the Revitalization of the Toronto Waterfront activity.

1.7 Risk analysis

As part of their work in 2007–08 on the next business planning cycle, Secretariat sectors were asked to identify risks that could potentially affect the achievement of their expected results and link them to the associated program activities. The exercise included rating the likelihood and impact of the identified risks, as well as the development of mitigation strategies.

The Secretariat: A Trusted Advisor

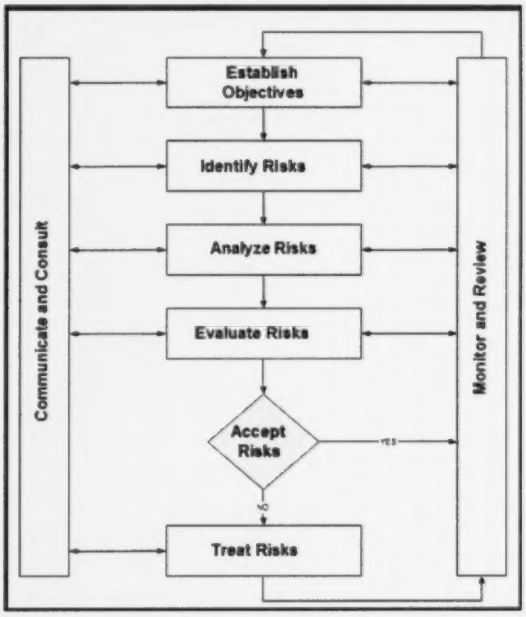
The new Centre of Regulatory Expertise (CORE) is a model for enabling change across government. CORE started up in October to support the implementation of the new Cabinet Directive on Streamlining Regulation. Since then, CORE has provided training and expertise to 16 different departments and agencies on over 40 distinct regulatory initiatives. CORE's work supports departments in increasing the efficiency and effectiveness of the Secretariat's regulatory system.

The identification of risks within the business planning cycle and the development of a corporate risk profile (CRP) are the first steps toward managing risk within the Secretariat. To understand and reduce risks, the Secretariat will be building upon the progress made in 2007–08. This includes validating and updating its risk inventory on an ongoing basis, which will, in turn, support corporate understanding of the risks affecting the Secretariat's business activities.

Lessons learned by the Secretariat in developing its first CRP include the following:

- Identifying corporate risks is challenging, so stakeholders from across the department must be involved;
- The probability and impact of risks fluctuate, so risks and their associated mitigation strategies need to be monitored regularly;
- There are various levels of risks, so there need to be mechanisms to manage the various types and levels of risks; and
- Resources need to be dedicated to manage risks, so risks cannot be managed without coordinated effort, including communications and training.

Risk Management Best Practices



Key Risks Identified in 2007–08	2007–08 RPP Subcommitments Associated with Key Risks Identified in 2007–08	Summary of Progress	Associated Initiatives
Stakeholder: Departmental capacity to fully accept and implement the Secretariat management agenda.	Policies are supported by sound implementation plans as well as communications and training to support departments in meeting requirements.	Nearing Completion	Change Management Action Plan Policy suite renewal Improvements to the Management Accountability Framework
	Directives, standards, and other guidance are developed and issued, and implementation of policy changes is commenced in the areas of grants and contributions and financial management.	In Progress	
	Forums are created to promote leadership of service transformation and facilitate the sharing of leading practices among deputy ministers, assistant deputy ministers, and management communities.	Completed	
	Management expectations are clarified and guidance is strengthened in the oversight of IM, IT, and service transformation projects.	Ongoing	
People: Government employees need the right skills and competencies to deliver on the government's priorities.	Implementation of a comprehensive multi-year HR Strategy for the financial management and internal audit communities is realized through the development of methodologies and tools that support enhanced professional capacity and community-based approaches.	Completed	Secretariat HR Strategy ES Development Program (targeted university recruitment campaign) Business planning exercise AS Competency-Based Management Framework and Learning Strategy Official Languages Policy and Secretariat Action Plan Talent Management Program for EX-02s and EX-03s
	Services and products are developed to support the growth and development of leadership and HR capacity in key service transformation communities.	Completed	
	Core evaluation competencies are developed in collaboration with stakeholders and delivery agents.	Completed	
	Certification process is developed and a professional development program for government evaluators is launched.	Rescheduled for 2011	
People: The Secretariat needs the right people in order to deliver on its vision and mandate.	An HR plan is completed in accordance with the *Public Service Modernization Act*.	Completed	
	A corporate resourcing and recruitment plan that is aligned with the Secretariat's business requirements is developed, implemented, and integrated within the business planning process.	In Progress	
	The Secretariat's career development programs for key communities are strengthened and expanded.	In Progress	

Key Risks Identified in 2007–08	2007–08 RPP Subcommitments Associated with Key Risks Identified in 2007–08	Summary of Progress	Associated Initiatives
Compliance: Non-compliance consequences for departments must be appropriate and consistent.	Compliance framework, which includes consequences for non-compliance, is developed for consideration by Treasury Board ministers.	In Progress	Change Management Action Plan Development of Compliance Framework Policy suite renewal
	Mechanisms are established to monitor compliance and an appropriate range of measures is identified to address instances of poor management.	Completed	
	A broad approach to the management of compliance, including discipline, is supported by a committee of deputy ministers to ensure fair, equitable, and consistent practices.	In Place	
Supplementary information on the subcommitments identified is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.			

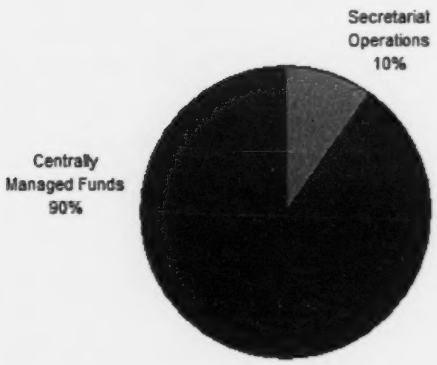
1.8 Expenditure profile

Departmental Expenditure Profile

($ thousands)	2005–06 Actual	2006–07 Actual	2007–08 Actual
Management Policy Development and Oversight			
Secretariat Operations	103,557	119,465	**135,196**
Expenditure Management and Financial Oversight			
Secretariat Operations	50,903	51,912	**59,401**
Centrally Managed Funds	1,423,799	1,537,987	**1,662,001**
Revitalization of the Toronto Waterfront[1]		35,049	—
Total	**1,578,260**	**1,744,413**	**1,856,598**

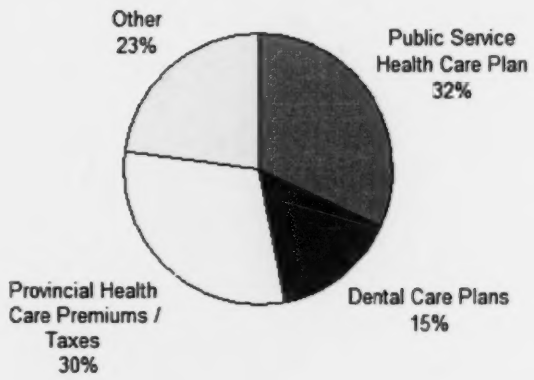
1. In accordance with the January 2007 changes in the minister's responsibilities, this authority was transferred from the Secretariat to Environment Canada through the 2007–08 Supplementary Estimates.

2007–08 Actual Spending



The Secretariat spent a total of $1.85 billion in providing its services in the 2007–08 fiscal year. It is important to note that only 10 per cent of this spending represents expenditures for the Secretariat's operations. The remainder relates to funds managed centrally on behalf of the government as a whole.

2007–08 Vote 20 Actual Spending

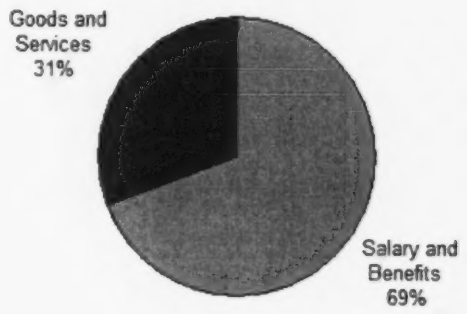


The largest part of actual expenditures (about 99 per cent) of the Centrally Managed Funds is Vote 20—Public Service Insurance. This vote covers the payment of the employer's share of health, income maintenance, and life insurance premiums; payments to or in respect of provincial health insurance plans; provincial payroll taxes; pension, benefit, and insurance plans for employees engaged locally outside Canada; and payments to certain employees for their share of the employment insurance premium reduction.

The major increase in expenditures over the last two years (2006–07; 2007–08) falls within Vote 20—Public Service Insurance. The increase is mainly due to increases in the number of members, costs, and use of the health care and dental plans, as well as non-discretionary tax increases, which are mostly related to provincial payroll taxes.

The Secretariat Operations reflects the people and organizations that support the Secretariat's central agency role of ensuring that government is well managed and accountable and that resources are allocated to achieve results.

Secretariat Operations 2007–08 Actual Spending



The increase over the last two years in Secretariat Operations results mainly from funding received for the following:

- The increased personnel costs of collective agreements between the Treasury Board and collective bargaining units representing public service employees;
- Support in implementing the *Public Service Modernization Act*;
- Implementation of the Cabinet Directive on Streamlining Regulations;
- Initiatives to implement the *Federal Accountability Action Plan*;
- The Budget Office Systems Renewal (BOSR) project; and
- A transfer of functions from the Privy Council Office in 2006–07 for Regulatory Affairs and Regional Communications.

Departmental Human Resources Profile (Full-Time Equivalent, FTE)

2005–06 FTEs	2006–07 FTEs	2007–08 FTEs
1,048	1,179	1,332

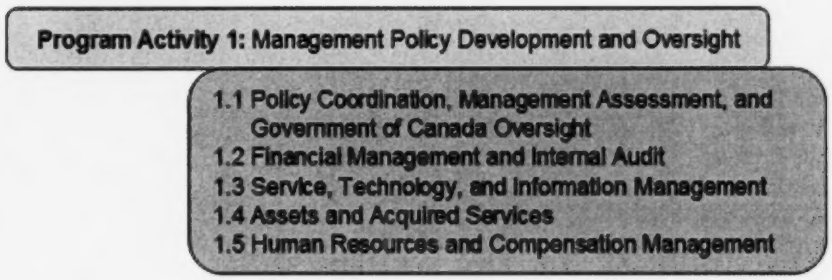
Section II: Analysis of Program Activities

2.1 Clarification of terminology

In an effort to clarify the connection between activities and results, the Secretariat has updated the terminology used when reporting on its performance. Below is a table outlining the changes in terminology from the 2007–08 Report on Plans and Priorities (RPP) to this report.

2007–08 RPP	This Report
Commitment	Expected Results
Subcommitment	Performance Indicators
Performance Measures	Measures

2.2 Program Activity 1: Management Policy Development and Oversight


Program Activity 1: Management Policy Development and Oversight
1.1 Policy Coordination, Management Assessment, and Government of Canada Oversight
1.2 Financial Management and Internal Audit
1.3 Service, Technology, and Information Management
1.4 Assets and Acquired Services
1.5 Human Resources and Compensation Management

Expected Results: Responsibilities of deputy heads are clarified in accordance with the *Federal Accountability Action Plan*—streamlining rules while strengthening accountability and efficiency—through the renewal of the Treasury Board policy suite.	
Performance Indicators	**Measures**
The Treasury Board policy suite is streamlined, and policies are renewed and implemented.	The Treasury Board policy suite is streamlined, clear, and consistent, with a reduction in the number of policies by at least 50 per cent.

Performance Summary*

Continuing its efforts to streamline and reduce the number of policies that guide government operations, Treasury Board rescinded an additional 20 policy instruments in 2007–08. This brings the total number of rescinded policies to 55. The number of policies has been reduced by 30.5 per cent of the overall target of 50 per cent. The Treasury Board approved 9 policy instruments: 1 policy framework, 1 directive, 2 standards, and 5 policies (on public service pension plans, investment planning, project management, IM, and IT). Implementation is underway. Renewal work was completed on 10 other policy instruments, involving access to information, privacy protection, and transfer payments.

Result: The management expectations and the roles and responsibilities of key players in the areas addressed by renewed policies are clear and more focussed. This will facilitate and strengthen departmental management in, for example, such areas as investment planning and transfer payments.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Expected Results: Management oversight is improved across government through the use of better tools, processes, and information.	
Performance Indicators	**Measures**
Departmental management practices are enhanced through better understanding, ownership, and use of the MAF by deputy ministers.	Guidance and support are provided to departments and agencies to strengthen self-assessment and encourage the use of MAF findings in departmental decision making.

Performance Summary*

Departments and agencies received guidance from the Secretariat on how to provide information in support of their assessments under the MAF. This enhanced understanding of the MAF fostered a dialogue on management practices within departments and agencies and increased the usefulness of MAF findings for deputy heads. The 21 areas of management under the MAF were reviewed and the methodologies improved. Stakeholder engagement throughout the MAF assessment process was improved and sessions were conducted, both internally and externally, with a diverse audience to discuss the lessons learned.

Result: Management oversight was enhanced by implementing improvements to the Management Accountability Framework (MAF), the Secretariat's integrated instrument for assessing departmental and agency management performance.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Financial Resources ($ thousands)			Human Resources		
2007–08			2007–08		
Planned Spending[1]	Total Authorities[1]	Actual Spending[1]	Planned[1&2] (FTEs)	Actual[1] (FTEs)	Difference (FTEs)
124,900	144,508	135,196	897	926	–29

1. Includes funds allocated from Corporate Strategy and Services.
2. The 2007–08 RPP did not include allocation from Corporate Strategy and Services. Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Program activity summary

The Secretariat, in its role as a management board, undertook a range of initiatives. The *Federal Accountability Act*, and supporting policies and measures, established clear lines of responsibility and an improved approach to managing the government's assets and human, financial, information, and technology resources. The Secretariat also strengthened its oversight role by refining the MAF and promoting its use to improve management in departments and agencies.

Benefits for Canadians

In 2007–08, progress made in implementing the *Federal Accountability Act* and renewing the Treasury Board policy suite has clarified accountability and given Canadians increased access to information. These initiatives have increased the transparency of government operations, thereby allowing Canadians to better determine whether their tax dollars are well spent.

The increased acceptance of the MAF across government has resulted in departments increasing their management capacity and strengthening their management systems. The result of these management improvement efforts, demonstrated by the overall improvement in MAF ratings, is improved delivery of government priorities for Canadians. These activities, along with the oversight role enabled by MAF, are important contributors to the attainment of the Secretariat's strategic outcome.

The Secretariat: Working Collaboratively

The new *Policy on Transfer Payments* demonstrates how the Secretariat works collaboratively, building inclusive and empowering relationships. The policy was not only developed in collaboration, but it will also continue to promote collaboration within and among departments. It will require them to harmonize their grants and contributions programs and standardize their administration, as appropriate.

Performance analysis

The Secretariat delivered on the majority of planned activities during the fiscal year, with some components expected to receive approval in the first quarter of 2008–09. The Secretariat continued the review and renewal of the Treasury Board policy suite through close collaboration with partners and external stakeholders and the continued engagement and commitment of its senior management. A noteworthy example of this was the development and completion of the *Policy on Transfer Payments*. The key to the successful completion of this policy was engagement and collaboration with external stakeholders and departments throughout the policy development process. Based on the recommendations of the Independent Blue Ribbon Panel and supported by a strong commitment from stakeholders and departments, the new policy enables departments to simplify the administrative requirements imposed on recipients of grants and contributions. This new policy provides a concrete example of a risk-based policy. Within its framework is the provision that departments that are well managed can earn more autonomy and less central agency oversight, thus freeing resources to focus on areas of high risk and to deliver results to Canadians.

This year, an online MAF portal was implemented to make it easier for departments to submit documents to support Secretariat assessments. It also provided a mechanism for employees of departments to ask questions and receive answers in a timely manner. The MAF portal significantly improved communication with departments and reduced the administrative burden of the MAF process. Departments and agencies received guidance on providing information in support of the assessments, which enhanced understanding of the MAF, fostered a dialogue on management practices within departments and agencies, and increased the usefulness of MAF findings for deputy heads.

Lessons Learned

The Secretariat's periodic review of its approach to the renewal of the Treasury Board policy suite has revealed strengths to build on and weaknesses to be addressed. For example, at the beginning of this initiative, the internal challenge function was not clearly defined and focused on processes instead of the substance of the policies under review. The Secretariat has made adjustments in 2007–08 to strengthen this challenge function and ensure the objectives of the policy suite renewal will be achieved. A renewed focus on ensuring appropriate instrument choice, and embedding a risk-based approach to Treasury Board oversight in certain areas, will lead to a risk-based policy suite that is clear, coherent, and commensurate with the issues it is intended to address.

2.3 Program Activity 2: Expenditure Management and Financial Oversight

Program Activity 2: Expenditure Management and Financial Oversight

- 2.1 Financial Oversight and Reporting
- 2.2 Government of Canada Expenditure Management and Oversight
- 2.3 Departmental Expenditure Oversight

Expected Results: Capacity is strengthened to provide clear and timely information on expenditures to support oversight and reporting.

Performance Indicators	Measures
The quality of program performance information is improved through the Secretariat's leadership in the implementation of the MRRS Policy.	Business requirements for the Budget Office Systems Renewal project are identified by users.

Performance Summary*

In response to an internal audit in 2005 and the report of the Office of the Auditor General from the same year, the Secretariat continued to redesign the Expenditure Management Information System (EMIS). In 2007–08, progress on the implementation of the Budget Office Systems Renewal (BOSR) project, an integrated solution to capture, retain, and process key Budget Office information—fiscal framework, pressures, authorities, appropriations—exceeded expectations.

Result: The Secretariat now has an integrated system to support the Budget Office in fulfilling the core functions of preparing the Estimates and providing better, more timely guidance and advice on expenditure information to ministers and departments.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Expected Results: Strengthening the evaluation function

Performance Indicators	Measures
The *Evaluation Policy* is renewed and an implementation plan developed.	The *Evaluation Policy* is renewed along with its supporting directive and standards.

Performance Summary*

The evaluation community and departments and agencies continued to be consulted on the renewal of the *Evaluation Policy*, with a view to refining the policy's provisions and increasing stakeholder understanding and support of the renewal's objectives. It is now expected to be presented to Treasury Board for consideration in the fall of 2008.

Result: The draft policy on evaluation is in line with stakeholders' views and is consistent with the original policy goal of assessing the value-for-money of federal government spending. As a result, the Government of Canada is well positioned to improve its evaluation function in the long term.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Financial Resources ($ thousands) (Secretariat Operations)			Human Resources (Secretariat Operations)		
2007–08			2007–08		
Planned Spending[1]	Total Authorities[1]	Actual Spending[1]	Planned[1&2] (FTEs)	Actual[1] (FTEs)	Difference (FTEs)
65,179	64,657	59,401	443	406	37

1. Includes funds allocated from Corporate Strategy and Services.
2. The 2007–08 RPP did not include allocation from Corporate Strategy and Services. Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Financial Resources[3] ($ thousands) (Centrally Managed)			Human Resources (Centrally Managed)		
2007–08			2007–08		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
2,582,286	2,832,763	1,662,001	0	0	0

3. Centrally managed funds include contingency funds (e.g. Vote 5) that traditionally lapse at year end. For more information, refer to 3.3 Voted and Statutory Items.

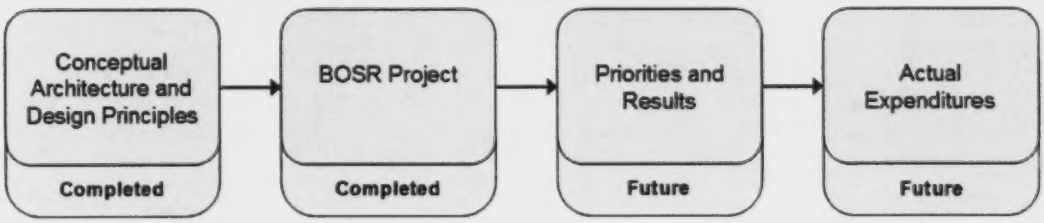
Program activity summary

The Expenditure Management and Financial Oversight program activity represents the Secretariat's role in supporting the Budget Office, its responsibility for managing and overseeing government expenditures. The Secretariat achieved a number of milestones in 2007–08, such as completion of the first round of strategic reviews with 17 organizations, which have increased the efficiency and effectiveness of their operations as a result. The Secretariat completed the review of the *Evaluation Policy* and, with the BOSR project, the second stage of the EMIS redesign. Together with the continued implementation of the MRRS Policy, these initiatives are improving the depth and quality of information available to ministers and to Canadians.

Benefits for Canadians

Progress in 2007–08 has improved the Secretariat's ability to provide Parliament with more consistent information on the government's performance and advice on reallocation of resources. Through the strategic reviews, the government is delivering on its commitment to provide programs and services that are efficient and effective, aligned with the priorities of Canadians, and sustainable over the long term.

Vision for EMIS Implementation



With the successful completion of the BOSR project, the government now has an increased capacity to monitor funding authorities and to evaluate the flow of resources to programs. This is a major step toward providing the government with the ability to monitor the full cycle of funding decisions, planned and actual expenditures, and performance.

Performance analysis

The Secretariat delivered on the majority of planned activities during the fiscal year. When additional funds were not allocated through the budget process, the Secretariat modified its approach to the *Evaluation Policy*, which will be delivered in 2008–09. The development of a renewed *Evaluation Policy* will help to ensure that departments and agencies have the tools they need to assess their program performance and verify that their expenditures are effective. Implementation without additional funding will be a challenge and will require the Secretariat to be innovative and flexible in its approach.

With the 2007 round of strategic reviews, it was a learning year both for the Secretariat and the organizations under review. The exercise was nevertheless very successful despite time and information constraints. Risks will now be managed by allowing more time for the strategic review process and by enhancing guidance and support to organizations under review. As a result of the strategic reviews, departments are streamlining operations, realigning their activities, and transforming their organizations to deliver better programs and better results for Canadians.

Further implementation of the MRRS Policy, which is being implemented in phases, was accomplished by the Secretariat. Working closely with departments to refine their PAAs and develop their supporting PMF, the Secretariat has helped lay the ground work for future rounds of strategic reviews.

The Secretariat: Proactive Risk Manager

The Agricultural Disaster Relief Program gives the Minister of Agriculture and Agri-Food the delegated authority to approve short-term disaster relief for small disasters. It eliminates the requirement to develop a Treasury Board submission for each small disaster. As a result of this Secretariat initiative, the estimated federal response to a disaster situation will be 16 weeks earlier than it was before the program; this could make a huge difference to a farming family facing ruin.

Lessons Learned

The Secretariat undertook a thorough exercise to evaluate the lessons learned from the 2007 round of strategic reviews. Consultations were held with Secretariat, Treasury Board, and various departmental ministers and officials of the organizations under review. Several key conditions for success were identified through this exercise:

- Sufficient time is needed for a deliberative process;
- A comprehensive assessment of all programs is required;
- The early and ongoing involvement of senior management and ministers is essential;
- A clear and strategic alignment of programs and results facilitates the review process and makes the results more meaningful;
- A strong PAA is necessary, and using multiple lines of evidence, such as evaluations, special studies, audits, benchmarking, and international comparisons, makes for a more robust review; and
- Arm's length expert advice provides alternative perspectives on the review and recommendations.

As a result of this exercise, the terms of reference and guidance documentation provided to organizations has been refined.

2.4 Program Activity 3: Corporate Strategy and Services

Program Activity 3: Corporate Strategy and Services

3.1 Corporate Priorities and Planning
3.2 Strategic Communications and Ministerial Affairs
3.3 Corporate Services
3.4 Legal Services

Expected Results: Corporate enabling strategies are developed and implemented within the Secretariat and across departments, consistent with the renewed role of the Treasury Board.

Performance Indicators	Measures
The Secretariat's Sustainable Development Strategy (SDS) for 2007–09 is implemented.	Departmental progress contributes to improved management of and accountability for sustainable development within the Government of Canada.

Performance Summary*

During 2007–08, the Secretariat updated the *Guide to Preparing Treasury Board Submissions* to include guidance on sustainable development, posted a guide to green fleet management, and worked with other occupants at its central office to implement an innovative program to decrease waste by composting pulverized paper. The composting of paper hand towels and pulverized paper enabled the occupants of L'Esplanade Laurier to reach a waste diversion rate of 85 per cent. Overall, the Secretariat made excellent progress on 11 of its 12 SDS commitments.

Result: By working with its departmental partners, the Secretariat has improved the environmental stewardship of its operations, policies, and programs. As a result, the Secretariat is contributing to the government's efforts to provide results for Canadians without compromising the ability of future generations to meet their own needs.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Expected Results: Internal management practices continue to be improved in response to the Secretariat's MAF assessment and workplace surveys.

Performance Indicators	Measures
HR management is improved by progress on an open and transparent process for staffing, strengthened linkages to Secretariat business planning, and implementation of an HR plan.	A corporate resourcing and recruitment plan that is aligned with the Secretariat's business requirements is developed, implemented, and integrated within the business planning process.

Performance Summary*

In the face of significant operational challenges, the Secretariat made progress on a number of infrastructure initiatives. In 2007–08, the Secretariat developed an HR Strategy to address key staffing issues, such as recruitment and retention of staff, to adjust to the challenges of a changing workforce, and to respond to the Public Service Renewal Action Plan. An ADM Talent Management Initiative was developed to help manage succession planning. Development programs for financial officers, auditors, and economists are helping to build the Secretariat's analytical capacity through recruitment, development, and retention of new employees. Work also progressed on a competency-based framework and learning strategy for the assistants (AS) community. As with other departments, streamlining and improving HR operations is a forward-looking and ongoing priority. Advances toward this goal are reflected in the Secretariat's HR Strategy and its Public Service Renewal Action Plan, which focus on HR planning and building HR infrastructure.

Result: The Secretariat's efforts in the area of HR will increase the availability of skilled staff within the Secretariat and across government. This will result in an increased capacity to deliver on the government's business objectives and future business challenges.

*Supplementary information is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Financial Resources[1] ($ thousands)			Human Resources[1]		
2007–08			2007–08		
Planned Spending[2]	Total Authorities	Actual Spending	Planned (FTEs)	Actual (FTEs)	Difference (FTEs)
54,095	58,135	58,752	414	397	–17

1. Allocated to the following program activities: Management Policy Development and Oversight and Expenditure Management and Financial Oversight.
2. Allocated to the program activities identified in note 1 and the Revitalization of the Toronto Waterfront activity.

Program activity summary

The Corporate Strategy and Services program activity includes key functions related to supporting the Treasury Board and internal management of the Secretariat. Changes are underway within the Secretariat to better lead the Government of Canada Management Agenda. A Change Initiative Action Plan was implemented to identify priorities and actions to ensure change is adopted throughout the Secretariat.

The Secretariat demonstrated leadership in the greening of its operations, including an innovative waste paper composting initiative with the occupants of L'Esplanade Laurier that increased waste diversion to a rate of 85 per cent. To address the need for highly skilled staff, the Secretariat continued to recruit and develop employees with economics backgrounds through its successful ES Development Program (ESDP). Skills development programs for financial and administrative staff were also developed in 2007–08 and are expected to be implemented in 2008–09.

Benefits for Canadians

In its role as a management office and budget office in support of Treasury Board, the Secretariat plays an important leadership role in setting management and financial performance expectations for departments and agencies. Through the Change Initiative Action Plan, the Secretariat has started to transform the way it conducts its business and supports its clients. The Secretariat is now better positioned to work with its partners to deliver the Government of Canada Management Agenda, the key vehicle for meeting new standards for management performance and expenditure management to deliver value to Canadians for their tax dollars.

Performance analysis

In 2007–08, the development and implementation of the Change Initiative Action Plan has been a key priority of this program activity. A key risk to its successful implementation is leadership. To address this risk, the Secretariat invested in a comprehensive engagement strategy, beginning at the senior executive level. This led to the development of the Management Excellence Charter, which demonstrates the commitment of all the Secretariat's senior executives to deliver on change. The Secretariat received a strong rating in its MAF assessments related to change management and will continue this momentum in 2008–09.

The Secretariat's performance in strengthening internal management within the government is affected by various factors. These include the high level of expertise the Secretariat requires and the high level of turnover within central agencies. External factors include a challenging labour market where there is an increasing shortage of skills and where competition for skilled workers has become global. Together, these factors increase the risk that skill development activities may not provide the expected returns of more skilled and knowledgeable employees.

The Secretariat: Strategic Partner

In order to implement its Aboriginal agenda, Indian and Northern Affairs Canada (INAC) was faced with as many as 40 Memoranda to Cabinet (MC) and 60 Treasury Board submissions in one year. In response, the Secretariat spearheaded a new omnibus approach for INAC to manage its agenda more strategically. Working together, the Secretariat, INAC, the Privy Council Office, and the Department of Finance Canada developed an innovative approach that resulted in a single MC and single Treasury Board submission. The result was a much more effective use of Cabinet and Treasury Board time. The Secretariat proved itself to be a strategic partner not only to INAC but also to Cabinet and the Treasury Board, which is a concrete example of the Secretariat Change Agenda in action.

Lessons Learned

In the context of public service renewal, the Secretariat made progress in 2007–08 by incorporating HR into its business planning. It also undertook a thorough exercise to evaluate lessons learned from its internal business planning, which highlighted weaknesses to be addressed in 2008–09. Given the competitive job market and turnover rates in the public service, particularly in central agencies, the Secretariat needs to adopt a risk-based, value-added approach to HR planning; for example, by focussing more attention on specialized competencies and working collaboratively on generic skill sets through collective staffing.

Section III: Supplementary Information

3.1 Financial highlights

The majority of the Secretariat's expenditures consist of managing the centrally managed fund, Public Service Insurance, at $1.65 billion in 2007–08.

The Secretariat spent approximately $59 million, or three per cent, of its total expenditures providing expenditure management and oversight services for the government and approximately $135 million, or seven per cent, of its total budget providing management policy development and oversight services to the government.

2007–08 Actual Spending

Secretariat Operations–Management Policy Development and Oversight 7%
Secretariat Operations–Expenditure Management and Oversight 3%
Centrally Managed Funds–Expenditure Management and Oversight 90%

3.2 Comparison of Planned Spending to Actual Spending (including FTEs)

($ thousands)	2005–06 Actual	2006–07 Actual	2007–08 Main Estimates	2007–08 Planned Spending	2007–08 Total Authorities	2007–08 Actual
Management Policy Development and Oversight						
Secretariat Operations	103,557	119,465	125,482	124,900	144,508	**135,196**
Expenditure Management and Financial Oversight						
Secretariat Operations	50,903	51,912	58,644	65,179	64,657	**59,401**
Centrally Managed Funds[1]	1,581,525	1,703,237	2,722,986	2,724,486	3,113,580	**1,942,818**
Revitalization of the Toronto Waterfront[2]		35,049	235,235	235,104	—	—
Sub-Total	**1,735,986**	**1,909,663**	**3,142,347**	**3,149,669**	**3,322,746**	**2,137,415**
Less: Respendable Revenue[3]	(157,726)	(165,250)	(142,200)	(142,200)	(280,817)	**(280,817)**
Net Budgetary Expenditures	**1,578,260**	**1,744,413**	**3,000,147**	**3,007,469**	**3,041,929**	**1,856,598**

($ thousands)	2005–06 Actual	2006–07 Actual	2007–08 Main Estimates	2007–08 Planned Spending	2007–08 Total Authorities	2007–08 Actual
Less: Non-Respendable Revenue	(11,909)	(26,935)	N/A	(10,000)	N/A	**(13,031)**
Plus: Cost of Services Received Without Charge	12,672	12,550	N/A	18,104	N/A	**14,917**
Net Cost of the Secretariat	**1,579,023**	**1,730,027**	**N/A**	**3,015,573**	**N/A**	**1,858,484**
Full-Time Equivalents	**1,048**	**1,179**	**N/A**	**1,340**	**N/A**	**1,332**

1. Total authorities for Centrally Managed Funds include Treasury Board Votes 5, 10, 20, 22a, and 23a, as well as other statutory votes related to public service pension and benefits. Votes 5, 10, 22a, and 23a are special Treasury Board votes, which consist of funds used to supplement other appropriations.
2. In accordance with the January 2007 changes in the minister's responsibilities, this authority was transferred from the Secretariat to Environment Canada through the 2007–08 Supplementary Estimates.
3. As per Receiver General instructions, the Secretariat Financial Statements and Public Accounts treat the Centrally Managed Fund part of this item as a recovery of expenditures as opposed to a respendable revenue. This difference in accounting treatment has no impact on the net expenditures of the Secretariat. For more information, visit the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Trends between planned spending and total authorities

Management Policy Development and Oversight total authorities show an increase compared to planned spending mainly due to additional funding received for the implementation of new initiatives such as the following:

- The *Public Service Modernization Act* (PSMA)—to enable the Secretariat to sustain ongoing services and support to the PSMA to improve the HR regime and to establish a government-wide IT professional development and apprenticeship program and an IT assessment centre for computer services;
- Streamlining regulations—for the establishment of a Centre of Regulatory Expertise at the Secretariat; and
- The *Federal Accountability Action Plan*—mainly to provide guidance to departments and to oversee the implementation of the legislated requirements to review and evaluate all ongoing grants and contributions programs, to amend the *Access to Information Act* and the *Privacy Act*, and to coordinate the overall implementation of the *Federal Accountability Act*.

Additional funding was received to cover the increased personnel costs of collective agreements between the Treasury Board and collective bargaining units representing public service employees as well as funding to meet the legal requirements of the employer, such as parental benefits, severance, and other allowances.

The Secretariat also used the Operating Budget Carry Forward allocation to fund initiatives such as a relocation of offices, establishment of the Public Service Readiness Plan, and the development of a Risk and Change Management Plan.

Expenditure Management and Financial Oversight—Secretariat Operations total authorities show a decrease compared to planned spending mainly due to internal reallocations of resources to priorities in other program activities.

Expenditure Management and Financial Oversight—Centrally Managed Funds total authorities show an increase compared to planned spending mainly due to the creation of new votes (Votes 22a and 23a) during the fiscal year that were not included in the Planned Spending amount.

Trends between total authorities and actual

The surplus in Management Policy Development and Oversight is mainly due to difficulty in ramping up new projects and initiatives as fast as anticipated and to lower than anticipated costs in litigation files.

The surplus in Expenditure Management and Financial Oversight—Secretariat Operations is mainly due to the BOSR project, for which some post-implementation activities, such as archiving of old data, and related funding was carried over to 2008–09. Unused funding was frozen in 2007–08 and allowed to lapse in the appropriation.

The surplus in Expenditure Management and Financial Oversight—Centrally Managed Funds is mainly due to funding not transferred to other appropriations in Votes 5, 10, 22a, and 23a; surplus in Vote 20 is mainly due to delays in the implementation of the Pay Direct Drug Card and other benefit improvements as well as lower-than-anticipated expenditures in the Service Income Security Insurance Plan and the provincial health care premiums and taxes programs.

3.3 Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007–08 ($ thousands) Main Estimates	Planned Spending	Total Authorities	Actual
1	Program expenditures	165,899	171,661	191,013	176,482
2	Contributions[1]	233,010	233,010	422	322
5	Government Contingencies[2]	750,000	750,000	750,000	—
10	Government-Wide Initiatives[3]	2,520	2,520	2,044	—
15	Compensation Adjustments[4]	—	—	—	—
20	Public Service Insurance[5]	1,828,246	1,829,746	1,827,798	1,652,784
22a	Operating Budget Carry Forward[6]	—	—	218,264	—
23a	Paylist Requirements[7]	—	—	25,358	—
(S)	President of the Treasury Board—Salary and motor car allowance	75	75	74	74
(S)	Contributions to Employee Benefits Plans	20,377	20,437	17,632	17,632
(S)	Spending proceeds from the disposal of surplus Crown assets	—	—	20	—
(S)	*Public Service Pension Adjustment Act*	20	20	4	4
(S)	Unallocated employer contributions made under the *Public Service Superannuation Act* and other retirement acts and the *Employment Insurance Act*	—	—	9,098	9,098
(S)	Court awards	—	—	5	5
(S)	Payments for the pay equity settlement pursuant to section 30 of the *Crown Liability and Proceedings Act*	—	—	197	197
	Total Secretariat	**3,000,147**	**3,007,469**	**3,041,929**	**1,856,598**

1. In accordance with the January 2007 changes in the minister's responsibilities, the Revitalization of the Toronto Waterfront Initiative authority was transferred from the Secretariat to Environment Canada through the 2007–08 Supplementary Estimates. Consequently, Vote 2 will be eliminated in 2008–09 because there is no longer a requirement for the Secretariat to hold a distinct contribution vote given that planned contributions are less than $5 million.
2. Vote 5—Government Contingencies supplements other appropriations to provide the government with the flexibility to meet unforeseen expenditures until parliamentary approval can be obtained.
3. Vote 10—Government-Wide Initiatives supplements other appropriations in support of the implementation of strategic management initiatives in the public service. These transfers reduce the Secretariat's authorities, and the departmental performance reports of recipient departments and agencies show an increase in authorities.

4. Vote 15—Compensation Adjustments supplements other appropriations to provide funding for the increased personnel costs of collective agreements between the Treasury Board and collective bargaining units representing public service employees as well as collective agreements signed by separate employers. Authorities are initially increased in Secretariat Vote 15 through Supplementary Estimates and then subsequently transferred to Operating Votes of recipient departments where they appear as an increase in authorities.
5. Vote 20—Public Service Insurance covers the payment of the employer's share of health, income maintenance, and life insurance premiums; payments to or in respect of provincial health insurance plans; provincial payroll taxes; pension, benefit, and insurance plans for employees engaged locally outside Canada; and to return to certain employees their share of the employment insurance premium reduction.
6. Vote 22a—Operating Budget Carry Forward supplements other appropriations by authorizing a carry forward of unused funds from the previous fiscal year up to a maximum of five per cent. The *Operating Budget Carry Forward Policy* (OBCF) was introduced in 1993 as a mechanism to improve the management of funds by allowing departments and agencies to access unexpended funding from the previous year up to a maximum of five per cent of their previous year's Main Estimates operating budgets. Secretariat Vote 22a allows routine OBCF amounts conforming to the OBCF Policy to be transferred directly to departments and agencies in a timely manner, once eligible amounts have been confirmed by the Secretariat and approved by Treasury Board ministers.
7. Vote 23a—Paylist requirements supplements other appropriations by providing the government with funding to meet the legal requirements of the employer, such as parental benefits, severance, and other allowances. To avoid discrimination in hiring practices, paylist costs related to parental benefits, severance, and other allowances have been provided for centrally since the introduction of the Operating Budget regime in 1993. The new vote will provide relief from cash management challenges faced by departments for these legal obligations. Previously, these funds were provided through a contingency vote (Vote 5).

Trends between planned spending and total authorities

Vote 1—Program expenditures total authorities show an increase compared to planned spending mainly due to additional funding received for the implementation of new initiatives such as the following:

- The *Public Service Modernization Act* (PSMA)—to enable the Secretariat to sustain ongoing services and support to the PSMA to improve the HR regime and to establish a government-wide IT professional development and apprenticeship program and an IT assessment centre for computer services;
- Streamlining regulations—for the establishment of a Centre of Regulatory Expertise at the Secretariat; and
- The *Federal Accountability Action Plan*—mainly to provide guidance to departments and to oversee the implementation of the legislated requirements to review and evaluate all ongoing grants and contributions programs, to amend the *Access to Information Act* and the *Privacy Act*, and to coordinate the overall implementation of the *Federal Accountability Act*.

Additional funding was received to cover the increased personnel costs of collective agreements between the Treasury Board and collective bargaining units representing public service employees as well as funding to meet the legal requirements of the employer, such as parental benefits, severance, and other allowances.

The Secretariat also used the Operating Budget Carry Forward allocation to fund initiatives such as a relocation of offices, establishment of the Public Service Readiness Plan, and the development of a Risk and Change Management Plan.

Trends between total authorities and actual

The surplus in Vote 1—Program expenditures is mainly due to difficulty in ramping up new projects and initiatives as fast as anticipated, to lower than anticipated costs in litigation files, and to the BOSR project, for which some post-implementation activities, such as archiving of old data, and related funding was carried forward to 2008–09. Unused funding was frozen in 2007–08 and allowed to lapse in the appropriation.

The surplus in Vote 20—Public Service Insurance is mainly due to delays in the implementation of the Pay Direct Drug Card and other benefit improvements as well as lower-than-anticipated expenditures in the Service Income Security Insurance Plan and the provincial health care premiums and taxes programs.

3.4 List of tables

The following tables are available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.

Table 1: Sources of Respendable and Non-Respendable Revenue

Table 2: User Fees

Table 3: External Fees

Table 4: Details on Project Spending

Table 5: Details on Transfer Payment Programs (TPP)

Table 6: Sustainable Development Strategy

Table 7: Response to Parliamentary Committees and External Audits

Table 8: Response to the Auditor General of Canada, including to the Commissioner of the Environment and Sustainable Development (CESD)

Table 9: Internal Audits and Evaluations

Table 10: Travel Policies

Table 11: Financial Statements of Departments and Agencies (including Agents of Parliament)

3.5 Additional information

The online supplementary program activity information includes a complete list of all performance indicators, measures, and summaries and is available on the Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/info/info-eng.asp.